

Tales Of Two Cities: What the Dickens is Wrong with Hartford? And Would Acts of Providence Fix It?

By Arthur W. Wright

It is the best of times—in Providence. It is the worst of times—in Hartford. Neither city is the London or Paris of Dickens' novel, but the mayors of these two small cities continue to joust for southern New England bragging rights. At the moment, Providence holds the honors. Could copying Providence help Hartford snap out of its blue funk? More, what can the City of Hartford, the State of Connecticut, or private groups do to restore Hartford to Mark Twain's "chief...of all the beautiful towns it has been my fortune to see"?

Providence waxeth. It sports a spiffy new river-side park, a new hotel-shopping complex, Narragansett Bay, Brown U. and the Rhode Island School of Design, its own primetime TV namesake replete with golden sunsets, and a recently made-over small, growing airport, T.F. Green. And who can forget the colorful mayor, Buddy Cianci, straight out of a George V. Higgins novel, joking on the Don Imus radio show about his recent Federal indictment for running the city as a criminal enterprise?

Hartford waneth. True, it has its own gem, the Wadsworth Atheneum, and the nifty new Learning Corridor, inspired by (outgoing) President Dobelle at Trinity College. But Riverfront Recapture, a haunted Civic Center, and "Judging Amy" (set in family court—no golden sunsets there) don't quite stack up against the Bay, Providence Place, and "Providence". UConn's main campus and Health Center are each miles away. The venerable Aetna and Travelers companies have decamped to new headquarters, and Hartford's rickety government has endured a cascade of tawdry scandals and a looming fiscal crisis. To top it off, residents recently voted down a proposed charter reform that arguably would have made it easier to change the *status quo*.

Then there is attitude. Hartford's official home page on the Web is backward-looking: the centerpiece is a snow-covered Charter Oak, and there's a link to the Connecticut Colony Charter of 1622, plus the above quote from Mark Twain. Providence, in contrast, highlights its motto, "America's Renaissance City", and features a link for "Moving to Providence". As yet the mayor's

home page makes no mention of his 97-page Federal indictment.

Small wonder that Connecticut's capital city prefers looking to the past instead of the present. Its population fell by a phenomenal 13%—nearly one-eighth—between 1990 and 2000, from nearly 140,000 people to about 122,000. Hartford was at the bottom of the not very illustrious list of Connecticut's largest cities, all of which lost population over the decade. In contrast, the city of Providence grew by 8%, from 161,000 to 174,000.

Interestingly, the two cities' metropolitan areas are not all that different. They have almost identical populations—1.2 million—and the Hartford metro's 10-year growth rate of 2.2% ranked it 236th out of the 280 largest US metros, not very far behind Providence's rank of 217th.

So there must be something about Hartford the city...

Excuses, Excuses

In its defense, Hartford could cite such factors as its greater remove from Boston, the heavier hit it took in the recession of the early 1990s, and its weak-mayor form of government. How much difference did those factors make?

Being closer to Boston can't hurt. Over 1990-2000, Boston's metro population grew by 6.7% in its broadest, four-state definition, and by 5.5% in the narrower two-state (MA and NH) version. Much of T.F. Green Airport's growth traces to the ground and air congestion at Logan. Living in Boston's shadow? More like basking in Boston's glow.

The Providence metro area took a staggering blow during the recession of 1989-1991, losing 8.7% of its non-farm employment. But it recovered quickly beginning in 1992 and went on to win the round with a double-digit gain of 13.3% for 1991-2000. Hartford, in contrast, lost "only" 6.9% of its non-farm employment, 1989-1991, but then went down for a mandatory eight-count. Non-farm employment finally bottomed out in 1995 a full 10.5% below the 1989 level. By 2000 it had recovered half its losses, but non-farm jobs were still 5.3% below 1989. Its Rhode Island rival was back in the black by 2.3% over 1989.

Providence has the traditional strong-mayor/ward-heeler council form of government. In Hartford's "good government", which dates to the late 1940s, the mayor is a figurehead; council members are elected at large. The appointed City Manager has day-to-day operating power but little real clout. Thus, everyone is responsible—but that means there are no bums to throw out. The main political discipline is administered through editorials in the *Hartford Courant*. The abdicating "Mayor Mike" Peters has truly made the best of a bad job for four terms.

Is Mayor Cianci responsible for Providence's renaissance? He has been mayor for 21 of the last 27 years (with 6 years off for bad behavior), and he was personally involved in many of the renewal projects. But would they (or something like them)

have occurred anyway, and he merely had the good sense not to get in the way?

Hope Springs Eternal...

How to revitalize Hartford? There is no lack of suggestions, large and small in scope and ambition. No one has yet suggested dragging the city closer to Boston, or making Buddy Cianci City Manager. Periodically, the Sunday *Courant* runs a progress report on the myriad projects around the city. The graphic on this page lists the biggest projects and their status.

Will they work? Skeptics like Bruce Katz, of the Brookings Institution, fret that costly projects are not the magic bullets they're touted to be, because they don't address the fundamental structural problems facing a "distressed central city" like Hartford. In the *Courant* on April 8, 2001, Katz argued that creating opportunity, not simply spending money, is what will make "city assets ... part of self-sustaining, self-organizing markets." Without reforming municipal taxes, local governments, and state policies that encourage suburban sprawl, it's impossible to overcome the poor schools, scarce jobs, and dangerous neighborhoods that deter people from living in Hartford and businesses from locating there.

The themes of sprawl, taxes, and governance are familiar in debates about what ails Hartford. Traditional New England home rule, which spawns multiple city governments within a single metro area, has deep roots, and it has not obviously held back economic growth in and around Boston. Nonetheless, that the city of Hartford housed only 10.3% of total population in its metro in 2000—down from 12.1% in 1990—doesn't add to its clout in the General Assembly, where mandates for more regional cooperation must originate. (The comparable figure for Providence is 14.6% in 2000, up a half percentage point over 1990.) Not all the news is bad on the regional front: Riverfront Recapture had to secure the co-operation of several other river towns abutting the state's capital city.

Hartford has long socked it to industrial and commercial property owners on real estate taxes, to keep effective residential rates down. After all, homeowners vote and businesses don't. But the ploy is shortsighted. Over the long term, it attracts residents looking for low real estate taxes but repels new businesses and drives out existing ones. The resulting fiscal penury weakens street maintenance, schools, public safety, and other urban amenities, in turn encouraging flight to surrounding towns by upwardly mobile residents. State policies that help build new suburban schools and improve traffic arteries to shorten commuting times only exacerbate trends that originate in City Hall.

How attractive is it to do business in Hartford? One might hope that the urban dynamic just sketched would eventually lead to lower business costs that would offset if not overcome a city's decline. Not so, at least not yet, according to Economy.com's ongoing study of relative business costs by state and metropolitan area across the U.S. The latest figures, from the November 2000

issue of its *Regional Financial Review*, rank Hartford the 8th highest-cost metro in the nation, out of the 162 sampled, after New York, Boston, and a set of smaller New Jersey metros. San Francisco is a paltry 14th. In general, states and metros with the highest incomes have the highest business costs, as we might expect. But Francis Markey and Michael Burt, authors of the study, stress that relative business costs are critical to *future* growth, accounting for about a third of relative employment growth over the decade 1989-1999.

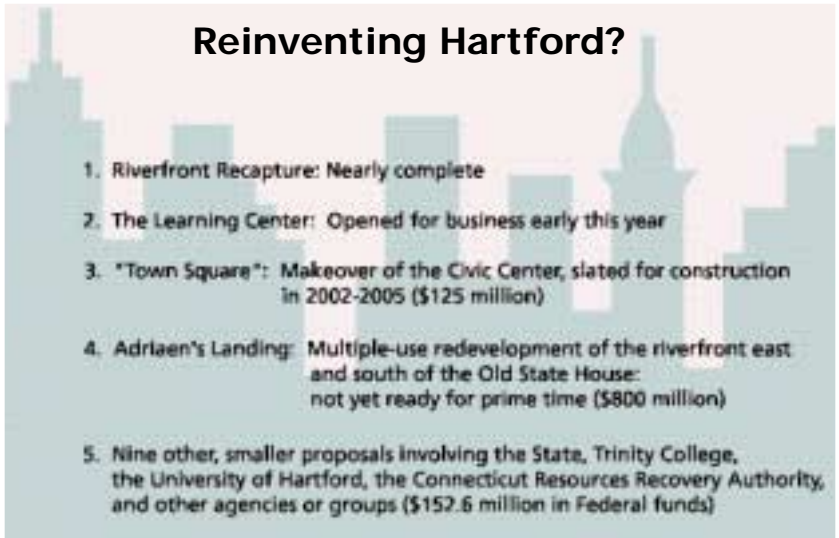
The Economy.com cost index consists of unit labor costs, adjusted for productivity (65%), electricity costs (15%), state and local tax burden (10%), and office rents (10%)—all measured relative to the national average. Hartford's unenviable position traces to unit labor costs (+ 12.2% over the average), electric rates (+ 46.1%), and state and local taxes (+ 9.5%). Only in office rent is Hartford cheaper than the rest of the country, by 11.2%.

Providence slouches in as merely the 68th highest-cost metro, with an overall index (99.3) just under the national average (100.0). Its big advantage over Hartford is in unit labor costs, though Markey and Burt note that the "advantage" may well reflect sputtering job growth, slack labor markets, and hence slow wage growth in Rhode Island.

The important lesson here: It's not enough simply to let Hartford run down until new businesses will be attracted by the immense opportunity it presents. Bruce Katz hit the nail on the head. The powers that be have work to do: reducing business costs, offering incentives (or punishments) to induce cities and towns to work together more—and, for the city of Hartford, scrapping its weak-mayor governance so that the powers *can* be, and can be held to account if they don't deliver.

So progress is an uphill climb ... what else is new? In Hartford, it will take political and moral will, backed by courage, and not simply landing more Federal grants. If a few good politicians, even a flamboyant one or two, will make the effort, who knows, maybe Hartford will one day scare the Dickens out of Providence.

Reinventing Hartford?

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1. Riverfront Recapture: Nearly complete
 2. The Learning Center: Opened for business early this year
 3. "Town Square": Makeover of the Civic Center, slated for construction in 2002-2005 (\$125 million)
 4. Adriaen's Landing: Multiple-use redevelopment of the riverfront east and south of the Old State House; not yet ready for prime time (\$800 million)
 5. Nine other, smaller proposals involving the State, Trinity College, the University of Hartford, the Connecticut Resources Recovery Authority, and other agencies or groups (\$152.6 million in Federal funds)